20.    (Amended) A computerized method of providing a reward to a credit card holder for use of the credit card, comprising the steps of:

a.    issuing a credit card from an issuer to a holder, said credit card representing an available line of credit from said issuer for said holder and providing means of payment by said issuer for one or more purchase transactions of said holder;

b.    providing a data-processing computer, said computer including a database, said database storing a holder ID and a current balance associated with said holder, said current balance including a sum of all said purchase transactions and any finance or other charges minus any payments by said holder to said issuer and any refunds or other credits;

c.    storing in said database a rebate tally for said holder, said rebate tally including a portion of said sum of all said purchase transactions minus any rebate payments paid by said issuer to said holder;

d.    determining using said computer whether at least one of said purchase transactions made by said holder complies with a set of pre-defined program rules; and

e.    automatically accounting for a rebate from said issuer to said holder for at least one of said purchase transactions that complies with said pre-defined program rules.

## REMARKS

In view of the foregoing amendments and following remarks, reconsideration of this application and early allowance of the application is respectfully requested.

Claims 1-38 are currently pending in this application. Claims 1 and 20 have been amended to more particularly point out and distinctly claim Applicants' invention. No new matter has been introduced.

- 3 -

In the Office Action, claims 1-38 were rejected under 35 U.S.C. §103(a) as being obvious over Walker et al. U.S. Patent No. 5,945,653 variously in view of Official Notices taken by the Examiner. For the reasons detailed below, Applicants respectfully request that the rejection of the claims under 35 U.S.C. §103(a) be withdrawn, and notice to the effect that the claims are patentable over Walker is solicited.

As set forth in detail in the specification and drawings of the present application, Applicants' invention is directed to a system and method by which an issuer of a credit card (or bank card, smart card, ATM card, debit card and the like) can award rebates to its card holders based on the card holders' usage of the card. Unlike conventional credit card incentive and benefit programs which are sponsored by particular merchants and which limit the card holders to redeeming rebates for specific goods or services from the particular sponsoring merchants, the rebate program according to the system and method of the present invention is offered by the card issuer and can be based on the purchase of goods and services of a broad selection of merchants within preselected categories.

The system and method according to the present invention allows a card holder to earn a percentage of the card holder's accumulated purchases as a rebate amount (which can be capped at a preselected maximum amount). The rebate amount is accrued or earned by the card holder upon making qualifying purchases of goods or services. A qualifying purchase may be of the goods and services of any merchant within a preselected category (e.g., the purchase or lease of an automobile of any make or model).

In the system and method according to the present invention, rebates can be earned not only on purchases made by the card holder, but also on cash advances and transfers of credit balances.

- 4 -

Rebates can be in the form of an actual transfer of funds from the card issuer to the card holder or applied as a set off against the card holder's outstanding card balance. Also, the card holder can transfer rebates earned to other authorized card holders.

Because the rebate program according to the system and method of the present invention is earned directly from the card issuer and is not tied to any particular merchant, the card holder can select the product or service on which a rebate is based from any merchant, and can take advantage of any rebate or other incentive the merchant may offer - in addition to the rebate offered by the card issuer. The card holder is not constrained in negotiating the best deal possible with the merchant of the card holder's choice.

The present inventors, having invented and developed such a new, unique and non-obvious system and method, are therefore entitled to appropriate patent protection for their invention and contribution to the art.

A review and reading of Walker, as now explained, makes clear that Walker does not teach, disclose or even suggest such a system and method.

The Walker patent describes a system that allows a merchant to establish (i.e., purchase) a "function" (discount, rebate, special interest rate incentive or other custom financing, or customer-specified message that will appear on credit card statements) with selected credit card issuers, which function is executed within conventional credit card transaction point-of-sale processing systems, to enable the merchant to offer customers specific purchase incentives or "merchant-based special purchase promotions" [see col. 5, line 15] on an ad hoc basis (i.e., at the point of sale) [see col. 3, line 42, to col. 4, line 5; see also, col. 5, lines 1-15]. Functions can also be established by the card issuer.

In the Walker system, the functions are specified by "function identifiers" or "function codes" that must be presented by the merchant or by the customer to the merchant at the point of sale, in addition to (separate from) the credit card, to obtain the benefit of the promotion [see col. 9, lines 6-9, 23-27, and 32-67; col. 10, lines 1-4 and 22-60; col. 14, lines 57-61; col. 15, lines 27-37 and 65-67; col. 17, lines 60-64; col. 18, lines 57-64; col. 19, lines 44-56; see also FIG. 7B, step S7-12]. The function identifiers, which "can be printed on the credit card holder's billing statement and can be easily remembered and presented to a merchant at the point-of-sale," are manually entered into the point-of-sale terminal or otherwise communicated to the credit card issuer (e.g., by telephone) [see, e.g., col. 10, lines 38-60].

As discussed below, significant differences exist between Applicants' claimed invention and Walker which prevent the Walker patent, whether taken alone or in combination with any of the various Official Notices taken by the Examiner, from disclosing, yielding or even suggesting the present claimed invention.

First, although Walker indicates generally that functions can be rebates [rebates are mentioned only in col. 3, line 47, col. 10, lines 16 and 65, and col. 15, line 43], there is no disclosure in Walker of any details indicating how a rebate transaction is implemented according to the Walker system. Rather, Walker focuses considerable attention on rewards that can be applied on an ad hoc basis at the point-of-sale in the form of percentage discounts or discounts of a specific monetary amount. The implementation of rebates, which are realized not at the point of sale but some time after a purchase, would, of necessity, involve process and system elements different from implementation of a discount realized at the point of sale. It follows that Walker is inadequate to teach or suggest a method and system directed to implementing a credit card rebate rewards program such as is affirmatively recited in the claims of the present application.

- 6 -

Second, Walker, in all disclosed embodiments, absolutely requires that a function identifier or code be presented at the point of sale (like a coupon) to redeem any credit card rewards program benefit. There is no such requirement in the method and system according to the present invention.

In the present invention, rebates are earned solely upon making qualifying purchases. That is, it is the fact of the qualifying purchase itself that provides the card issuer with all it needs to recognize a rewards program event. Outside of the actual qualifying purchase, there is no need for the card holder or merchant to communicate to the card issuer a notice that a rewards program triggering event has occurred.

Applicants have amended independent claims 1 and 20 to clarify that the qualifying purchase transaction is the only activity required to enable the card issuer to recognize a rebate program event according to the method and system of the present invention. This is accomplished by amending claims 1 and 20 to recite that a rebate is automatically accounted for in the database in response to the qualifying purchase transaction.

For the foregoing reasons, there is simply no teaching, suggestion, indication or portion of Walker which in any way permits a benefit to be afforded the credit card holder absent presentation of the function identifier or code. Accordingly, it is submitted that claims 1 and 20 are patentable over Walker. Notice to this effect is earnestly solicited.

Claims 2-19 which depend from claim 1, and claims 21-38 which depend from claim 20, are allowable for the same reasons detailed above in connection with the rejection of independent claims 1 and 20. They are also allowable for the additional features, steps and structure recited therein.

In the rejection of dependent claims 2-19 and 21-38, the Examiner has taken "Official Notice" of certain "facts" outside of the record. Applicants respectfully traverse the claim rejections based on the combination of Walker with the "Official Notice" statements. The statements contained in the Official Notices do not overcome the severe deficiencies of Walker, the primary reference.

Furthermore, Applicants respectfully submit that it is not appropriate to take Official Notice of the features, steps and structure recited in all the dependent claims, as they are not capable of instant and unquestionable demonstration as being well-known. See MPEP 2144.03; *In re Ahlert*, 165 U.S.P.Q. 418, 420 (CCPA 1970). For example, Applicants submit that the features recited in claims 13 and 32, namely basing a rebate on cash advances or transfers of credit balances, are new, unique and non-obvious (and are nowhere taught or suggested in Walker). Applicants further submit that the features recited in claims 17 and 36, for example, namely transferring rebates to a second credit card held by a second card holder, are also new, unique and non-obvious (and are nowhere taught or suggested in Walker).

Accordingly, Applicants request that the Examiner provide appropriate evidence supporting the statements made in the Official Notices and/or an affidavit under 37 C.F.R. 1.104(d)(2). See, *In re Sun*, 31 U.S.P.Q. 2d 1451 (Fed. Cir. 1993)(unpublished).
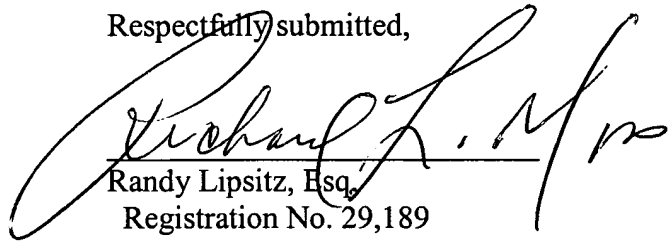
On the basis of the foregoing amendments and remarks, Applicants respectfully submit that this application is in condition for immediate allowance, and notice to this effect is earnestly requested. The Examiner is invited to contact Applicants' undersigned attorneys at the telephone number listed below if it will advance the prosecution of this case.

Submission of formal drawings will be deferred until allowance of the application.

No fee is believed due with this Response other than the $920.00 fee associated with the Petition for a Three-Month Extension of Time submitted herewith.

Please charge any fee deficiency and credit any overpayment to the undersigned attorney's Deposit Account No. 50-0540.

Respectfully submitted,

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## APPENDIX

## CLAIM AMENDMENTS HIGHLIGHTED

1.    (Amended)  A computerized system for implementing a credit card program rewarding use of a credit card by the credit card holder, comprising:

a.    a credit card issued by an issuer to a holder, said credit card representing an available line of credit from said issuer for said holder and providing means of payment by said issuer for one or more purchase transactions of said holder;

b.    a data-processing computer, said computer including a database, said database storing a holder ID and a current balance associated with said holder, said current balance including a sum of all said purchase transactions and any finance or other charges minus any payments by said holder to said issuer and any refunds or other credits;

c.    a rebate tally for said holder stored in said database, said rebate tally including a portion of said sum of all said purchase transactions minus any rebate payments paid by said issuer to said holder;

d.    said computer further including means for determining whether [a qualifying]at least one of said purchase transactions made by said holder complies with a set of pre-defined program rules; and

e.    a rebate [payment for said qualifying purchase transaction ]from said issuer to said holder [when said qualifying]automatically accounted for in said database in response to at least one of said purchase transactions that complies with said pre-defined program rules.

20. (Amended) A computerized method of providing a reward to a credit card holder for use of the credit card, comprising the steps of:

a. issuing a credit card from an issuer to a holder, said credit card representing an available line of credit from said issuer for said holder and providing means of payment by said issuer for one or more purchase transactions of said holder;

b. providing a data-processing computer, said computer including a database, said database storing a holder ID and a current balance associated with said holder, said current balance including a sum of all said purchase transactions and any finance or other charges minus any payments by said holder to said issuer and any refunds or other credits;

c. storing in said database a rebate tally for said holder, said rebate tally including a portion of said sum of all said purchase transactions minus any rebate payments paid by said issuer to said holder;

d. determining using said computer whether [a qualifying]at least one of said purchase transactions made by said holder complies with a set of pre-defined program rules; and

e. [transmitting]automatically accounting for a rebate [payment ]from said issuer to said holder for [said qualifying ]at least one of said purchase transactions [from said issuer to said holder when said qualifying purchase transaction]that complies with said pre-defined program rules.